

**MINUTES OF THE  
ECONOMIC DEVELOPMENT AND REVENUE  
APPROPRIATIONS SUBCOMMITTEE**

Room W140 West Office Building, State Capitol Complex

January 31, 2008

**Members Present:** Sen. Bill Hickman, Co-Chairman  
Rep. Sheryl Allen, Co-Chairman  
Sen. Gene Davis  
Rep. Jim Bird  
Rep. Jackie Biskupski  
Rep. Julie Fisher  
Rep. Steven R. Mascaro

**Members Excused:** Sen. Dan Eastman

**Staff Present:** Dr. Andrea Wilko, Chief Economist  
Dr. Thomas Young, Economist  
Jennifer Eyring, Committee Secretary

**Note:** A list of visitors and a copy of handouts are filed with the committee minutes.

Rep. Allen called the meeting to order at 2:10 p.m.

Dr. Wilko gave an overview of the Office of Tourism Budget Brief. The purpose of the Office is to increase the quality and quantity of tourism visits and spending. The budget and funding charts were explained. The Tourism Marketing Performance Fund receives funding from General Fund appropriations and earmarked sales tax. The Analyst recommends that \$9,000,000 in earmarked revenues be prioritized for the Tourism Marketing Performance Fund. It is also recommended that the \$668,000 in interest accrued from the fund be appropriated to the program from the Restricted Account. The Motion Picture Incentive Fund from FY 2008 included a \$2,500,000 base budget and \$1,500,000 one-time funds. The Office is requesting the same level of funding with additional funding for High School Musical 3. The Analyst recommends that the \$51,300 of interest accrued from the fund be authorized for use on film incentives. Total spending of travelers and tourists, and the total number of visitors to the state have increased. Motion Picture Incentive Fund production days and economic impact increased in 2008. The recommended base budget for the Office of Tourism is \$7,083,500. The Office is requesting \$9,000,000 from the earmarked sales tax revenue and \$6,000,000 from the General Fund.

## **Office of Tourism**

Leigh Von der Esch, Managing Director, Office of Tourism, introduced Dave Williams, Deputy Director, Marketing and Research, Office of Tourism, Kim McClelland, Chair, Utah Office of Tourism, Nan Anderson, Utah Tourism Industry Coalition, and Des Barker, Utah Tourism Industry Coalition. A slide presentation giving an overview of the Office of Tourism was presented. The discussion included Administration, Research, Publications, Travel Trade programs, Media and FAM Tours, and the Tourism Performance Marketing Fund. The Office is requesting \$15,000,000 for the Tourism Performance Marketing Fund. An increasing percentage of funding is coming from the earmarked sales tax revenue. Various advertising methods and the cooperative marketing program were highlighted. The benefits and income to the state from the marketing programs were illustrated. Utah's tourism is trending up at a rate higher than the national level. Questions from the committee were addressed.

Kim McClelland, Chair, Utah Office of Tourism, and President, Premier Resorts of Utah, spoke about the history and goals of the Office of Tourism. The main goals were to create a brand for the state, unite the tourism industry in a cohesive voice, maximize opportunities, and increase the number of destination visitors to the state. He stated that they felt there was great success in meeting these goals, and that the key to future success would be to continue the funding to market the state.

An advertising video presentation was shown to the committee. This video was shown at the World Travel Market and highlights Utah's summer travel locations.

## **Utah Film Commission**

Jason Perry, Executive Director, Governor's Office of Economic Development, introduced Marshall Moore, Director, Utah Film Commission and Don Schain, President, Motion Picture Association of Utah, and Producer of High School Musical 1,2 and 3. The Office is requesting \$4,500,000 ongoing funds for the Film Commission and \$1,500,000 one-time funds for High School Musical 3.

Marshall Moore introduced Mimi Davis-Taylor, Trevor Snarr, and Matt Morgan, from the Utah Film Commission, and Tim Nelson, Chair, Motion Picture Association of Utah. There are currently four major productions in Utah. The Motion Picture Incentive Fund is a 15% post performance rebate, with a current cap of \$500,000 per project and a minimum amount of \$1,000,000 spent in the state. The mission, organization, marketing, resource directory, productions, and state benefits were discussed. The rebate was increased from 10% to 15% to keep the state competitive with other states offering incentives. High School Musical 1, 2 and 3 have come to the state because of the Motion Picture Incentive Funds.

Don Schain stated that the motion picture and television industry is having a slow but steady resurgence in the state. Thanks for support of the film industry was expressed. The benefits to

the state include jobs, money brought into the state, and publicity for tourism. The increased ongoing funding request would last further into the fiscal year and make the state's position stronger. The one-time funding request for High School Musical 3 was explained. Questions from the committee were addressed.

Rep. Greg Hughes added his support of the Motion Picture Incentive Fund.

Rep. Allen relinquished the chair to Rep. Mascaro.

A video highlighting films produced in Utah was shown to the committee.

### **Utah Sports Authority**

Dr. Wilko gave an overview of the Sports Authority Budget Brief. The creation of the Utah Sports Authority was authorized in 2007, but has not yet been staffed. The \$200,000 one-time funding appropriated to the Authority for FY 2008 has not been used, and the committee may want to consider making the funds nonlapsing. The Authority serves as a pass through for funding the Pete Suazo Athletic Commission. The Analyst recommends a base budget of \$180,000 for the Pete Suazo Athletic Commission, with \$10,000 coming from Dedicated Credit revenues.

Rep. Mascaro relinquished the chair to Rep. Allen.

### **Museum of History and Archives**

Dean Collinwood, Chair, Bountiful Historic Commission, introduced Tom Tolman, Bountiful City Council, Lloyd Carr, Joyce Benard, Sandy Inman, Elaine Holbrook, Barbara Manfull, Annette Nelson, and Randy Goodrich, of the Bountiful Historic Commission. Also acknowledged were Joe Johnson, Bountiful City Mayor and Tom Hardy, Bountiful City Manager. The Commission is requesting \$300,000 funding towards a museum and archive building to be built on the city hall campus in Bountiful. The background and objectives of the project were explained.

Tom Tolman emphasized that the museum would be a hands-on educational experience.

Rep. Allen relinquished the chair to Rep. Mascaro.

### **Utah Sports Commission**

Dr. Wilko clarified that Mike Deaver would be speaking about the \$3,000,000 pass through to the Utah Sports Commission.

Mike Deaver, Deputy Director, Office of Tourism, gave an overview of the Utah Sports Commission. Funding for the Commission comes through the Office of Tourism. The Commission focuses on sports events, meetings, and travel, with the goal of bringing people to Utah. Future events coming to the state as a direct result of Commission funding and the success of past events were highlighted. Questions from the committee were addressed.

### **Pete Suazo Athletic Commission**

Jason Perry spoke about the Pete Suazo Athletic Commission. Funding for the Commission passes through GOED. The funding request is for \$180,000. Questions from the committee were addressed.

Rep. Hughes spoke about the challenges facing the Pete Suazo Athletic Commission with the growth in the number of events and the move to the Utah Sports Authority.

Bill Colbert, Secretary, Pete Suazo Athletic Commission, thanked GOED for making the transition as smooth as possible. The growth in the sport is mainly in mixed martial arts. Safety aspects and sanctioning were discussed.

Dr. Wilko announced that the final list of funding requests is ready and those requests will be presented at the meeting on Wednesday, February 6, 2008.

Rep. Fisher moved to adjourn the meeting. The motion passed unanimously.

Rep. Mascaro adjourned the meeting at 4:14 p.m.

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Sen. Bill Hickman, Co-Chair

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Rep. Sheryl L. Allen, Co-Chair